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# SEC asked to require corporate disclosure of political contributions

A group of the nation's leading state and city investment officers today called on the U.S. Securities and Exchange Commission to require publicly traded companies to disclose to shareholders their political contributions.

"Shareholders have a right to know how the companies they own are using their money in the political arena," the investment officers -- who also serve as trustees of some of the nation's largest public pension funds -- wrote to SEC Chairman William Donaldson in a letter made public today.

"We ask you and your fellow SEC commissioners to let the sun shine on corporate contributions so that the tens of millions of shareholders in America's public companies can know how their money is being used in the nation's political life."

Specifically, the officials called on the SEC to adopt a rule requiring publicly traded companies to disclose their political contributions annually. The disclosure to shareholders should detail contributions at the national, state and local levels, to candidates, political parties and their conventions, ballot measure campaigns, issue ad campaigns and all independent political committees, including so-called 527 organizations.

The investment officers who signed the letter to Donaldson include: California Treasurer Phil Angelides, Oregon Treasurer Randall Edwards, Iowa Treasurer Michael Fitzgerald, New York State Comptroller Alan Hevesi, Maine Treasurer Dale McCormick, Kentucky Treasurer Jonathan Miller, North Carolina Treasurer Richard Moore, Connecticut Treasurer Denise Nappier, Vermont Treasurer Jeb Spaulding, New York City Comptroller William C. Thompson Jr. and Sean Harrigan, a member of the California Public Employees' Retirement System.

A corporation's record of political contributions "is potentially valuable additional information about a company's values, business strategy, and future prospects," the officials wrote. "For those funds and individuals who want to make sure their investments are consistent with their values, full disclosure is a vital ingredient in their investment decisions."

In their letter, the officials noted that Donaldson -- in his two years as SEC Chairman -- has established as major goals improving the transparency of markets and promoting responsible corporate governance, and that he has undertaken a number of initiatives to achieve those goals.

"We are writing to urge you to strike another blow for transparency by requiring publicly traded companies to disclose to shareholders the political contributions they make."

The officials wrote that although various federal, state, and local laws require candidates and/or contributors to report political contributions at various thresholds, there is no way

for shareholders to learn how much the companies they own contribute to political campaigns and causes short of combing through the records of hundreds of jurisdictions.